

## Message Text

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15

ACTION NEA-12

INFO OCT-01 AF-10 EUR-25 EA-11 ISO-00 CIAE-00 DODE-00

NSAE-00 NSCE-00 SSO-00 USIE-00 CCO-00 INRE-00 PM-07

H-03 INR-10 L-03 NSC-10 PA-04 RSC-01 PRS-01 SPC-03

SS-20 ACDA-19 IO-14 EB-11 COME-00 TRSE-00 OMB-01

INT-08 SCEM-02 SCI-06 AID-20 STR-08 CIEP-02 DRC-01

/213 W

----- 052747

O 230935Z OCT 73

FM AMEMBASSY JIDDA

TO SECSTATE WASHDC IMMEDIATE 5275

INFO AMEMBASSY ABU DHABI IMMEDIATE

AMEMBASSY AMMAN IMMEDIATE

AMEMBASSY BEIRUT IMMEDIATE

AMCONSUL DHAHRAN IMMEDIATE

AMEMBASSY KUWAIT IMMEDIATE

AMEMBASSY LONDON IMMEDIATE

AMEMBASSY PARIS IMMEDIATE

AMEMBASSY ROME IMMEDIATE

AMEMBASSY TEHRAN IMMEDIATE

AMEMBASSY TEL AVIV IMMEDIATE

AMEMBASSY TOKYO IMMEDIATE

AMEMBASSY TRIPOLI IMMEDIATE

USMISSION EC BRUSSELS IMMEDIATE

USMISSION OECD PARIS IMMEDIATE

C O N F I D E N T I A L SECTION 1 OF 2 JIDDA 4663

DEPT PASS CAIRO

BEIRUT ALSO FOR BAGHDAD

E.O. 11652: GDS

TAGS: ENRG, SA, XF

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SUBJECT: SAUDI BAN ON OIL SHIPMENTS TO U.S.

REF: A) JIDDA 4621; B) JIDDA 4615; C) JIDDA 4616  
D) JIDDA 4630; E) JIDDA 4600; F) JIDDA 4620

SUMMARY: SAUDI DECISION TO CUT OFF OIL SHIPMENTS TO U.S. ATTRIBUTABLE TO KING'S OWN DECISION; KING ANGRY AT ANNOUNCEMENT OF LARGE U.S. MILITARY GRANT PROGRAMS TO ISRAEL AND PROBABLY FELT THAT ANY LESSER RESPONSE WOULD LEAVE SAUDI ARABIA UNCOMFORTABLY ISOLATED IN ARAB WORLD. U.S. MISSION CONTACTS WITH HIGH-LEVEL SAG OFFICIALS, HOWEVER, INDICATE SAG WISHES TO MINIMIZE DAMAGE THAT PRESENT CRISIS MAY DO TO US-SAG RELATIONS JOINT US-USSR RESOLUTION IN SECURITY COUNCIL POTENTIALLY A RADICALLY POSITIVE STEP; BUT IF IT DOES NOT SUCCEED SAG MAY FEEL COMPELLED TO INCREASE PRESSURE ON U.S. INTERESTS IN MILITARY, COMMERCIAL, ENERGY AND FINANCIAL AREAS. EMBASSY IS STRESSING WITH SAG NEED THAT CHANNELS OF COMMUNICATION REMAIN OPEN, AND THAT EACH SIDE GIVE OTHER MAXIMUM ADVANCE NOTICE OF ANY MEASURES IT IS CONTEMPLATING. END SUMMARY.

1. THERE IS LITTLE DOUBT THAT SAG DECISION TO BAN PETROLEUM EXPORTS TO U.S. STEMMED FROM KING FAISAL HIMSELF. DISCUSSION BETWEEN HIGH-RANKING SAG OFFICIALS AND AMBASSADOR (REF B AND E) IN 24 HOURS PREVIOUS, HAD NOT INDICATED SAG ON VERGE OF TAKING SUCH BIG STEP.

2. SOURCES IN ROYAL DIWAN OCT 21 HAVE CONFIRMED TO EMBASSY THAT DECISION TAKEN BY KING, AND WAS PRINCIPALLY MOTIVATED BY U.S. PROPOSAL TO PROVIDE ISRAEL WITH 2.2 BILLION DOLLARS OF GRANT MILITARY AID. WE TOLD BY CHIEF OF ROYAL DIWAN, AHMAD ABDUL WAHAB (A WELL-ADJUSTED PRO-AMERICAN FIGURE) THAT KING WAS AS FURIOUS AS HE HAD EVER SEEN HIM AND THAT HE TOOK PARTICULAR UMBRAGE AT WHAT HE CONSIDERED TO BE DIFFERENCE BETWEEN REASSURING TONE OF VARIOUS COMMUNICATIONS HE HAD RECEIVED FROM USG, AND U.S. ANNOUNCEMENT OF "INCREDIBLE" AMOUNT OF AID TO GOI. KING'S SUBSEQUENT CALL FOR JIHAD (FBIS KYRENIA 210810Z OCT 73) CAN ALSO BE ASCRIBED TO KING'S DISPLEASURE. KING'S MOOD EMPHATICALLY REFLECTED ALSO BY ABLE, NATIONALIST MINISTER  
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HISHAM NAZER, HEAD OF CENTRAL PLANNING ORGANIZATION.

3. WE SHOULD NOT, HOWEVER, OVERSTRESS THE CAUSATIVE EFFECT OF PURE EMOTION IN KING'S DECISION TO CUT BACK OIL SHIPMENTS TO U.S. A NUMBER OF ARAB COUNTRIES HAD ALREADY TAKEN STEP OF BANNING SUCH SHIPMENTS, AND YAMANI HAD INFORMED AMBASSADOR THAT OTHERS WOULD PROBABLY FOLLOW (REF B). AS IMPACT OF U.S. AID DECISION MADE ITSELF

FELT IN ARAB WORLD, KING MAY HAVE FELT THAT SAG WOULD  
OCCUPY EXPOSED SALIENT IF IT--ALONE AMONG ARAB OIL  
PRODUCERS--CONTINUED TO PROVIDE OIL TO U.S.

NOTE BY OC/T: NOT PASSED CAIRO.

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C O N F I D E N T I A L SECTION 2 OF 2 JIDDA 4663

DEPT PASS CAIRO

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4. EMBASSY CONTACTS ELSEWHERE IN SAG, MOREOVER, TEND TO CONFIRM OUR ASSESSMENT THAT SAG WISHES MINIMIZE DAMAGE THAT PRESENT CRISIS COULD CAUSE TO US-SAUDI RELATIONS. DCM'S DISCUSSION WITH DIRECTOR OF PUBLIC SECURITY FOR CONFIDENTIAL

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WESTERN REGION OCT 20 MADE CLEAR SAG'S GREAT CONCERN WAS SECURITY, WELL-BEING, AND GOOD MORALE OF AMCITS IN SAUDI ARABIA (REF F). ALSO, DURING MEETING OCT 21 BETWEEN CHIEF OF U.S. MILITARY TRAINING MISSION (CUSMTM), GENERAL HILL AND DEPUTY MODA (AND KING'S BROTHER) PRINCE TURKI, PRINCE STATED "WE HAVE HAD TO TAKE CERTAIN POLITICAL DECISIONS DURING THE WAR JUST AS YOU HAVE, BUT THAT MUST BE KEPT ENTIRELY SEPARATE FROM RELATIONSHIPS BETWEEN MODA AND USMTM." PRINCE IN SOMBER MODD, BUT WAS AT ALL TIMES COURTEOUS AND FRIENDLY TO GENERAL HILL AND HIS STAFF.

5. FURTHER SAUDI REACTIONS WILL BE DETERMINED PARTLY BY WHAT WE DO AND SOME BY COURSE OF ARAB/ISRAELI FIGHTING. JOINT US-USSR RESOLUTION IN SECURITY COUNCIL POTENTIALLY RADICALLY POSITIVE STEP; BUT IF PROGRESS NOT FOLLOWING ON IMPLEMENTATION AND IF THE ARABS THEN FACE PROSPECT OF SERIOUS MILITARY SETBACK OR IF A CEASEFIRE IS NOT RAPIDLY FOLLOWED BY ISRAELI WITHDRAWAL FROM AT LEAST SOME ARAB LANDS, SAUDIS WOULD RESPOND MUCH AS WOULD THEIR NEIGHBORS AND CAST ABOUT FOR WAYS TO PRESSURE/ PUNISH U.S. AND WESTERN EUROPEANS. AMONG THE MEASURES THEY COULD TAKE MIGHT BE ACCELERATED USE OF OIL WEAPON (FURTHER CUTS IN PRODUCTION OR NATIONALIZATION OF U.S. ASSETS), TERMINATION OF U.S. MILITARY OVERFLIGHTS (WHICH NUMBER CIRCA 20 EACH WEEK), OR USE FINANCIAL RESOURCES TO APPLY PRESSURE ON DOLLAR. (AMBASSADOR HAS ALREADY POINTED OUT TO MIN YAMANI THIS WOULD BE COUNTERPRODUCTIVE-- REF C, AND WE ARE TOLD BY RELIABLE SOURCE THAT DIRECTOR OF MONETARY AGENCY ANWAR ALI OPPOSES SUCH A STEP.) WE MIGHT ALSO EXPECT CALLY BY SOME RADICAL OF COMBATANT ARAB NATION FOR MEETING OF FOREIGN MINISTERS OR CHIEFS OF STATES, AND THAT SOME PRETTY NEGATIVE RECOMMENDATIONS RE OUR MIDDLE EAST INTERESTS WOULD EMERGE FROM ANY SUCH GATHERING.

6. SAG ACTION COULD ALSO DELIVER A SETBACK TO IMPORTANT U.S. COMMERCIAL AND MILITARY SALES: SAG HAS GROWN TO BE ONE OF LARGEST MARKETS FOR AMERICAN PRODUCTS BETWEEN EUROPE AND JAPAN, WITH SALES RUNNING AT MORE THAN A THIRD OF A BILLION DOLLARS THIS YEAR. OUR MILITARY SALES PROGRAMS MOREOVER HAVE IN PAST THREE YEARS EXCEEDED CONFIDENTIAL

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500 MILLION DOLLARS, AND THERE ARE GOOD PROSPECTS FOR FMS CASH SALES OF A SIMILAR ORDER TO BE CONCLUDED WITHIN THE NEXT TWO YEARS. WE SHOULD REMEMBER THAT EUROPE, PARTICULARLY FRENCH AND BRITISH SOURCES, ARE MORE THAN PREPARED TO PICK UP THE FALLOUT FROM THE AMERICAN DILEMMA IN THE MIDDLE EAST CONFLICT.

7. IN MEANTIME, AMBASSADOR HAS PASSED WORD TO CHIEF OR ROYAL DIWAN THAT IT IS ESSENTIAL FOR CHANNELS OF COMMUNICATION BETWEEN HIM AND SAG TO REMAIN OPEN AT ALL TIMES. AMBASSADOR ALSO SAID THAT IN ORDER TO MINIMIZE STRAIN OF CURRENT DEVELOPMENTS ON OUR RELATIONS, IT IS IMPORTANT THAT EACH SIDE BE GIVEN MAXIMUM POSSIBLE NOTICE OF STEPS OTHER MIGHT BE CONTEMPLATING; DIALOGUE MUST GO ON. AMBASSADOR MAKING SAME POINT ALSO TO MINPET YAMANI WHO BASICALLY WELL DISPOSED TO SAG'S WESTERN CONNECTION, AND MIGHT THUS BE USEFUL IN A SEMI-PRIVATE ROLE.

8. FINALLY, WITH REGARD TO SAUDI ACTIONS AGAINST U.S. OIL AND OTHER INTERESTS, WE SHOULD AVOID ACrimonious COMMENTS, SINCE THESE TEND TO KEEP AN UNHELPFUL DIALOGUE GOING.

AKINS

NOTE BY OC/T: NOT PASSED CAIRO.

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM PRODUCTION, WAR, EMBARGOES, FOREIGN POLICY POSITION  
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**Copy:** SINGLE  
**Draft Date:** 23 OCT 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Reference:** A) JIDDA 4621; B) JIDDA 4615; C) JID, DA 4616  
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**TAGS:** ENRG, SA, XF  
**To:** STATE  
**Type:** TE  
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